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Message Text

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43
ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 EB-11 DODE-00 NSAE-00 RSC-01

TRSE-00 AEC-11 CIAE-00 MC-02 DRC-01 /052 W
---------- 022320
R 060925Z SEP 73
FM AMEMBASSY PRAGUE
TO SECSTATE WASHDC 0000
INFO USOECD PARIS 1062
AMEMBASSY LONDON

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DEPT. PASS COMMERCE/ BEWT/OEC (ELECTRONIC EQUIPMENT DIVISION)

USOECD FOR PAPENDORP

E.O. 11652: N/A
TAGS: ESTC, CZ, US
SUBJ: SALE OF COMPUTER SOFTWARE IN CZECHOSLOVAKIA
(ELECTRONIC ASSOCIATES, INC.)

REF: PRAGUE 414

1. MR. EDWARD PETKO, VICE PRESIDENT, INTERNATIONAL OPERATIONS OF ELECTRONIC ASSOCIATES, INC. (WEST LONG BRANCH, NEW JERSEY 07764) CALLED AT EMBASSY AUGUST 29 TO DISCUSS PROBLEM WHICH HAS ARISEN IN CONNECTION WITH SALE BY EAI OF BRITISH COMPUTER SOFTWARE SYSTEM TO CZECHOSLOVAK FOREIGN TRADE CORPORATION KOVO.

2. PETKO EXPLAINED THAT EAI HAS PURCHASED LICENSE FROM U.K. FIRM NATIONAL COMPUTING CENTRE (NCC) LIMITED, TO SELL ON ROYALTY BASIS IN U.S. A SOFTWARE SYSTEM KNOWN AS "APSE" WHICH WAS DEVELOPED SOLELY IN U.K. UNDER TERMS OF NCC/EAI AGREEMENT, EAI MAY ALSO MARKET APSE SYSTEM IN COUNTRIES OUTSIDE U.S., BUT IN THIS CASE PRIMARY RESPONSIBILITY FOR FOLLOWING UP ON ORDERS (FOR ACUTALLY
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SELLING AND INSTALLING APSE SYSTEMS) REMAINS WITH NCC.

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AS WITH SALES IN U.S., EAI RECEIVES COMMISSION FROM NCC
FOR NECESSARY SPADE WORK LEADING TO ACTUAL SALES
OF APSE ABROAD.

3. RECENTLY, EAI IN NEGOTIATING WITH KOVO ON SALE OF
EAI PACER 600 COMPUTER EQUIPMENT (SEE REFTEL) ASLO
SECURED ORDER FOR APSE SOFTWARE SYSTEM FROM CZECHOSLOVAK ACADEMY OF
SCIENCES (CSAV). ACCORDING TO PETKO, EAI REPRESENTATIVE
IMMEDIATELY NOTIFIED NCC THAT ORDER IN WORKS,
BUT BEFORE EAI HAD COMPLETED NECESSARY PAPERWORK, A
REPRESENTATIVE OF NCC CAME TO PRAGUE WITH APSE ON THREE
MAGNETIC DISC REELS AND INSTALLED PROGRAM IN CSAV COMPUTER
WITHOUT NOTIFYING OR CONSULTING FURTHER WITH
EAI REPRESENTATIVES.

4. PETKO IS CONCERNED THAT THIS PRECIPITATE ACTION ON
PART NCC WILL SOMEHOW COMPROMISE EAI WITH U.S. EXPORT
CONTROL AUTHORITIES, SINCE EAI HEADQUARTERS MADE NO
MOVE TO SECURE EXPORT LICENSE OF ASPE PROGRAM NOR,
APPARENTLY, DID NCC BOTHER TO CLEAR EXPORT OF SOFTWARE
SYSTEM WITH EXPORT CONTROL AUTHORITIES IN U.K. BEFORE
DISPATCHING NCC TECHNICIAN TO PRAGUE IN LATE AUGUST WITH DISCS.

5. UPON LEARNING OF NCC'S ACTIONS, PETKO (WHO WAS IN
PRAGUE FOR INTERNATIONAL SEMINAR ON ANALOG COMPUTERS)
STATED HE CAME IMMEDIATELY TO EMBASSY TO SEEK ADVICE
AND ASSISTANCE IN REPORTING POSSIBLE BREACH
OF U.S. EXPORT CONTROL REGULATIONS TO OEC. PETKO
APPARENTLY CONCERNED THAT EAI'S RECORD (BY HIS OWN STATEMENT) OF
CLOSE COOPERATION WITH OEC IN PAST MIGHT BE DAMAGED BY NCC
ACTIONS.

6. EMBOFF VENTURED OPINION THAT IF APSE SOFTWARE
PROGRAM DEVELOPED AND PRODUCED SOLELY IN U.K. (E.E.,
CONTAINED NO U.S. INPUTS OR RESTRICTED TECHNOLOGY)
AND WAS NOT TRANS-SHIPPED TO CZECHOSLOVAKIA VIA THE
U.S., THEN U.S. EXPORT REGUALTIONS WOULD NOT APPLY,
EXCEPT PERHAPS THROUGH COCOM. IT AGREED, HOWEVER, THAT
DETAILS AS PETKO HAD REPORTED THEM WOULD BE SUBMITTED
TO OEC FOR COMMENT. PETKO SAID EAI WILL AWAIT OEC
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GUIDANCE BEFORE PRESENTING INVOICE TO NCC FOR
NORMAL COMMISSION ON SALE.

7. OEC SHOULD CONTACT MR. ROBERT A. WEIR AT EAI HEAD-
QUARTERS IN NEW JERSEY (TEL.: AC 201/229-1100) DIRECTLY
ON THIS MATTER, SINCE PEKO WILL BE TRAVELLING IN OTHER
PARTS OF EUROPE FOR NEXT 2-3 WEEKS.

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8. EMBASSY WOULD APPRECIATE BEING INFORMED OF OEC RES-
PONSE TO EAI.
WORTZEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMPUTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730951/aaaablml.tel
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: PRAGUE 414
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Review Authority: cunninfx
Review Comment: n/a
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Review Date: 07 SEP 2001
Review Event:
Review Exemptions: n/a
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: NATIVE
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